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SUBJECT: SPECIAL AGENT STEEN MEETS WITH ANGOLAN CENTRAL
BANK AND CONDUCTS COUNTERFEIT TRAINING

¶1. (SBU) Summary. U.S. Secret Service Special Agent William Steen conducted training in recognizing counterfeit currency at Embassy Luanda and met with representatives of the Angolan Central Bank Exchange Reserves Department to discuss training in currency recognition. While recent changes in the Kwanza-dollar exchange rate have made the Kwanza more attractive to ordinary Angolans, there is no timetable for supplanting the dollar in Angola,s economy. Given the large amount of U.S. currency circulating in Angola,s highly dollarized economy, these programs were relevant, timely, very well-received and help cement Embassy ties with Angolan law enforcement agencies and financial institutions. Post appreciates U.S. Secret Service support and hopes additional training possibilities, including programs conducted by the Bureau of Engraving and Printing, can soon be arranged. End Summary.

William Steen at BNA

¶2. (SBU) Secret Service Special Agent William Steen called on the National Bank of Angola (BNA) in the course of his May 22-25, 2007 visit to Angola to discuss what training the Secret Service and the Bureau of Engraving and Printing can

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offer the banking sector. Steen met with the head of the Exchange Reserves department of the Angolan central bank (BNA), Dr. Isabel Luanda, who welcomed the idea of regular training sessions, especially for commercial bank employees, since they handle currency daily and can benefit the most from training in distinguishing counterfeit from genuine currency.

Money Laundering

¶3. (SBU) The BNA,s Reserves Department works with money laundering issues, although the primary responsibility rests with the Ministries of Finance and Justice (MOF and MOJ). Dr. Luanda noted there is a draft law on money laundering, but could not pinpoint where it is in the approval process. In the meantime, since the offices concerned with money laundering need some interim guidelines in the absence of a law, the BNA and the MOF have issued regulations, and the BNA has issued some internal regulations.

U.S. Currency in Circulation

¶4. (SBU) Dr. Luanda acknowledged that Angola,s economy is highly dollarized, without giving a specific figure for the total value of U.S. currency in circulation in the country. Post notes that most commercial institutions accept U.S. currency in payment, commercial banks offer dollar-denominated accounts, and some employers pay salaries in dollars. With triple-digit inflation a recent memory, ordinary people who do not have bank accounts and must save in currency prize the dollar for its relatively stable value. Recently, Angola,s Kwanza appreciated against the dollar. Although Angola plans for the Kwanza to displace the dollar eventually, Dr. Luanda said there is no timetable for conversion.

¶5. (SBU) U.S. dollars initially enter the economy from sales of petroleum. U.S. currency enters the economy to pay Angolans and Angolan companies for such transactions as rent) many landlords negotiate rentals calling for two years, rent paid in advance) for dollar payrolls, payment for equipment and vehicles, and payment for business services. Individuals and businesses make their payments in cash.

Counterfeiting

¶6. (SBU) Angola is not a source of counterfeit notes. However, the police have found counterfeit U.S. currency (as well as counterfeit Euros) in circulation. Dr. Luanda could not quantify how serious the problem is. There have been occasional media reports of GRA seizure of counterfeit U.S. dollars and speculation that foreign criminal interests were responsible. The last training offered to Angola,s commercial banking sector on recognizing counterfeit banknotes took place in 2005, and was conducted by the Hong Kong and Shanghai Banking Corporation (HSBC). (Note: HSBC couriers U.S. currency into Angola for the BNA. End note.) Bank workers who handle cash daily need regular training, but the BNA has not been able to arrange such training up until now, Dr. Luanda said. She was very interested in training

programs for currency identification, and Special Agent Steen gave a brief sketch of the programs offered by the Bureau of Engraving and Printing.

Training Provided by Agent Steen

¶7. (U) The bulk of SA Steen,s visit was concerned with providing three four-hour training sessions on counterfeit currency: how it is made and how to recognize, detect and report it. At the first session the Embassy hosted a contingent of Angolan banking and law enforcement officials, including the Deputy Head of the Interior Ministry,s National Criminal Investigative Directorate (DNIC). The second session was for local representatives of the U.S. private sector, hosted by Chevron Corporation on behalf of the Angola Country Council of OSAC (the Overseas Security Advisory Council). The final session was for USG employees, including cashiers and other staff whose duties involve handling and safekeeping of U.S. and foreign currency. All of the sessions were very professionally conducted and extremely well received by the invited audiences. The Angolan law enforcement officials expressed particular interest in receiving more training from the Secret Service, including appropriate specialized instruction in forensic examination methods and techniques.

Comment

¶8. (SBU) The BNA, which has sought to carve out for itself a more complete and independent role as a central bank, capitalizes on opportunities to build its relationships with outside institutions. The training Steen discussed is purely technical, but if BNA facilitates that training, it can reinforce its role as supervisor of Angola,s banks. The training in recognizing counterfeit currency was very welcome, and the BNA expressed interest in receiving additional training from the Bureau of Engraving and Printing. Our Angolan counterparts are eager to establish regular training. Post appreciates Secret Service training

and welcomes future training opportunities. The training works as a positive reinforcement of our bilateral fiscal management and strengthening programs and reinforces the message to the GRA that the US is ready to help with improving GRA banking and financial sector capacity.

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